



Daily Paper on Coast Arises From a Shopper

By PAMELA G. HOLLIE

Special to The New York Times

VAN NUYS, Calif. — On Sept. 10, The Valley News will start publishing seven days a week. It would be an insignificant date in publishing were it not for the size of the thriving suburban newspaper and the fact that the area it serves includes the populous San Fernando Valley, about half of the City of Los Angeles and the prime suburban readership of The Los Angeles Times.

"The Valley News could give The Los Angeles Times a run for its money," mused one editor at The Times's afternoon competitor, The Los Angeles Herald Examiner. "I think The Valley News wants to be The Bergen Record or the Newsday of the West."

When the Chicago-based Tribune Company, publisher of The Chicago Tribune and The Daily News in New York, bought The Van Nuys Valley News and Green Sheet in 1973, it was a four-day-a-week free shopper with a 280,000 circulation that some called the world's largest throwaway.

every day except Monday and with half of its subscribers converted to paying customers — has become the beachhead for the Tribune Company's West Coast suburban newspapers. They include The Escondido Times Advocate, an evening paper outside San Diego with 33,000 in circulation; The Peninsula Times Tribune with 66,000 in circulation in the Palo Alto area between San Francisco and San Jose, and the bi-weekly Ledger with a circulation of 72,000 in Montrose, Calif., just east of Los Angeles.

"The most dramatic growth in newspapers today is in the suburbs," said Ken Noble, an analyst with Paine Webber Jackson & Curtis Inc., the securities firm. "And the trend among the major newspaper publishers like the Tribune has been to bite off specialized chunks of the market by acquisition or by developing special sections. On the whole, suburban newspapers have been attractive investments. In the current economic climate they have been doing better than urban newspapers."

When the Tribune Company began

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Shopper on Coast Becomes a Daily Paper

Continued From Page D1

Eastward thrust in 1973, it picked off stable local papers in choice demographic sections of the San Francisco, Angeles and San Diego markets. The major metropolitan papers poor distribution and did minimal coverage. Among the healthier of the newspaper owners, the Tribune Company owns eight daily newspapers and a half dozen other publications. In 1978, the company, which is privately held, earned \$57.5 million, up 3 percent from the preceding year. Last year's earnings were hurt by a strike at the Daily News, which cost \$25 million, compared with an operating net of \$111 million.

Centrates on Sun Belt

When the Tribune Company started planning, it naturally looked for markets that were going to grow," J. Scott Schmidt, president and general manager of The Valley News, said in an interview. "With few exceptions," he said, "it has concentrated in the Sun Belt states of California and Florida, where the suburban population is capable of supporting a second newspaper." Schmidt, once The Tribune's feature managing editor, was dispatched to the Valley News in July, 1975, to reorganize the paper.

The Los Angeles Times, with daily circulation of 1 million, and The Valley News, with a circulation of 240,000, say do not compete for news coverage. According to the market research of Yankelovich, Skelly & White, The Valley News is now the dominant newspaper in Los Angeles's large prime market, the middle- and lower middle-class San Fernando Valley, which has a population exceeding 1 million.

If the San Fernando Valley were a city, Mr. Schmidt said, "it would be the nation's sixth largest metropolitan area—larger than Detroit." Fifty-five percent of the households in the Valley News's circulation area include Burbank and Studio City among other communities in the San Fernando Valley and adjoining areas receive the paper. In comparison, the Los Angeles Times is taken by 10 percent of the households in the area (The Herald Examiner's total circulation is 303,000 daily.) And in the San Fernando Valley, The Valley News is outside the San Fernando Valley is no contest.

Lineage

A free shopper called The Green Valley News supported its advertising. Building on that ad low ranks 32d in the nation in circulation, with 60 million lines. The 10th-largest classified in the country," said Tom Schmidt. The Valley News's advertising and formerly The Tribune's marketing services manager. The Valley News reached

nearly 2 million lines of national advertising.

Editorially, the strength of suburban newspapers is local coverage. "The battle is to capture the local flavor," said Al Reynolds, who is marketing services manager of the Tribune's San Francisco Bay peninsula papers, The Peninsula Times Tribune and the weekly Valley Journal. "There has been a gap between the small newspapers and the large metropolitan dailies which cried for a sophisticated journalistic approach to local coverage."

The Valley News has attempted to keep some of the flavor of the old paper, including a green stripe down the side of the front page as a reminder of the days when the front page was green. The front page seldom carries a national or international piece that does not directly affect local residents. Fifty-two high schools get their names in the paper, and there is a neighborhood column, which, although much shorter than in the old green sheet days, still provides information on karate tournaments and Planned Parenthood classes. New sections on business, health, fashion and food began this year and have broadened the paper to 64 pages daily and 120 pages on Sunday.

Viewing The World Inside Out

"We look at the world from the inside out," said Bruce Winters, editor of The Valley News. Formerly with The Baltimore Sun, he joined The Valley News in 1977. "Sacramento and City Hall, those are our foreign bureaus."

Although the Tribune Company has not released investment figures on the cost of making over The Valley News, Mr. Schmidt acknowledged that it is "an enormous investment." The expense budget alone has increased by \$18 million since 1975. By Sept. 1 the editorial side of the operation will be increased to 150 people or more from about 45 four years ago.

The key to the paper's future is its effort to maintain circulation while changing the paper to a daily paid form. For years, many of the people on the paper's circulation list received the paper for free and threw it away. In 1975 only about 54,000 of the 280,000 circulation paid for the paper. Now about half, or 112,000, are paid subscribers—it costs 15 cents daily and 35 cents Sunday—as it phases out free subscriptions, and the paper has 2,900 carriers taking it door to door. "That's hardly what I call being chucked," Mr. Winters said.

Britain's Output Up

LONDON, Aug. 13 (AP)—Britain's industrial output, on a provisional but seasonally adjusted basis, rose 1.5 percent in June from the preceding month and was 4.4 percent higher than a year earlier, the Central Statistical Office reported today. Output of manufacturing in June was up 2.2 percent from a year earlier, the office said.



The New York Times/David

In the newsroom of The Valley News are, from left, Bruce Winter, editor; J. Scott Schmidt, president, and Thomas Culligan, executive vice president.

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